

AIRASIA X BERHAD
(Company No. 200601014410)
(Incorporated in Malaysia with limited liability under the Companies Act, 2016)
FIRST QUARTER REPORT ENDED 31 MARCH 2026

ANNOUNCEMENT

The Board of Directors of AirAsia X Berhad (“AirAsia X” or “the Company”) is pleased to announce the following unaudited consolidated results of AirAsia X and its subsidiaries (collectively known as “the Group”) for the first quarter ended 31 March 2026.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended	Quarter ended	Period Ended	Period Ended
		31/3/2026 RM'000	31/3/2025 RM'000	31/3/2026 RM'000	31/3/2025 RM'000
Revenue	11	5,950,223	N/A	5,950,223	N/A
Operating expenses					
- Staff costs	12	(631,321)	N/A	(631,321)	N/A
- Aircraft fuel expenses		(2,158,805)	N/A	(2,158,805)	N/A
- Maintenance and overhaul		(960,966)	N/A	(960,966)	N/A
- User charges		(704,891)	N/A	(704,891)	N/A
- Aircraft lease expenses		(3,024)	N/A	(3,024)	N/A
- Other operating expenses		(535,962)	N/A	(535,962)	N/A
Other income		53,775	N/A	53,775	N/A
EBITDA		1,009,029	N/A	1,009,029	N/A
Depreciation		(48,146)	N/A	(48,146)	N/A
Depreciation on right of use asset		(451,913)	N/A	(451,913)	N/A
Finance income	13	9,079	N/A	9,079	N/A
Finance cost	13	(127,461)	N/A	(127,461)	N/A
Finance cost - lease liabilities		(191,993)	N/A	(191,993)	N/A
Net operating profit		198,595	N/A	198,595	N/A
Non-operating aircraft depreciation		(79,749)	N/A	(79,749)	N/A
Non-operating aircraft finance cost		(33,881)	N/A	(33,881)	N/A
Share of results of associates		6,279	N/A	6,279	N/A
Derivative gain		33,125	N/A	33,125	N/A
Net foreign exchange loss	13	(232,151)	N/A	(232,151)	N/A
Loss before taxation		(107,782)	N/A	(107,782)	N/A
Taxation	14	(2,467)	N/A	(2,467)	N/A
Deferred taxation	14	(18,414)	N/A	(18,414)	N/A
		(20,881)	N/A	(20,881)	N/A
Loss for the financial period		(128,663)	N/A	(128,663)	N/A
Attributable to:					
Equity holders of the Company		(154,884)	N/A	(154,884)	N/A
Non-controlling Interests		26,221	N/A	26,221	N/A
		(128,663)	N/A	(128,663)	N/A
Earnings per share (sen)	32				
Basic		(4.61)	N/A	(4.61)	N/A
Diluted		(3.88)	N/A	(3.88)	N/A

N/A denotes not available

There are no comparative figures being presented due to Reverse Acquisition of AirAsia X by AAAGL as explained in Note 1b and Note 2.1 to the interim financial statements. AAAGL being a non-listed private limited company was not required and had not prepared any interim financial statements prior to the Reverse Acquisition.

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period Ended	Period Ended
	31/3/2026	31/3/2025	31/3/2026	31/3/2025
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(128,663)	N/A	(128,663)	N/A
<u>Other comprehensive loss</u>				
Foreign currency translation differences	(41,777)	N/A	(41,777)	N/A
Total comprehensive loss for the financial period	(170,440)	N/A	(170,440)	N/A
<u>Total comprehensive loss attributable</u>				
To equity holder of the company	(175,133)	N/A	(175,133)	N/A
Non-controlling interest	4,693	N/A	4,693	N/A
Total comprehensive loss for the financial period	(170,440)	N/A	(170,440)	N/A

N/A denotes not available

There are no comparative figures being presented due to Reverse Acquisition of AirAsia X by AAAGL as explained in Note 1b and Note 2.1 to the interim financial statements. AAAGL being a non-listed private limited company was not required and had not prepared any interim financial statements prior to the Reverse Acquisition.

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

	Note	Unaudited As At 31/3/2026 RM'000	Unaudited As At 31/12/2025 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	1,293,133	1,063,866
Right of use assets		12,012,506	5,735,422
Finance lease receivables		154,490	-
Investment in associates	16	449,244	-
Investment securities		122	-
Intangible assets	17	13,953,159	3,131,092
Deferred tax assets		1,706,569	497,041
Receivables and prepayments	18	8,070,813	445,385
Amount due from related parties		-	67,389
Deposits on aircraft purchase		607,213	1,008
Amount due from associate		27,825	-
Derivative financial instruments	19	891	-
		38,275,965	10,941,203
CURRENT ASSETS			
Inventories		192,124	163,859
Receivables and prepayments	18	1,595,895	812,437
Finance lease receivables		27,776	-
Amounts due from related parties		1,262,127	1,948,661
Amounts due from associate		174,471	-
Derivative financial instruments	19	17,159	-
Tax recoverable		16,765	1,865
Deposits, bank and cash balances		1,085,766	635,188
		4,372,083	3,562,010
CURRENT LIABILITIES			
Trade and other payables	20	8,119,191	4,281,900
Provision for aircraft maintenance		3,792,430	927,495
Sales in advance		2,589,895	1,228,245
Amounts due to related parties		1,147,738	1,958,532
Amounts due to associate		57,311	-
Borrowings	21	691,757	371,378
Current portion of long term debentures		295,832	300,745
Lease liabilities	22	2,449,633	1,398,166
Derivative financial instruments	19	-	10,443
Provision of taxation		187,041	176,418
		19,330,828	10,653,322
Net Current Liabilities		(14,958,745)	(7,091,312)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		Unaudited As At	Unaudited As At
		31/3/2026 RM'000	31/12/2025 RM'000
NON-CURRENT LIABILITIES	Note		
Provision for aircraft maintenance		6,689,552	233,139
Borrowings	21	2,537,062	142,979
Non-current portion of long term debentures		930,421	1,105,670
Lease liabilities	22	12,338,502	4,195,806
Deferred tax liabilities		739,697	756,894
Derivative financial instruments	19	-	1,310
		23,235,234	6,435,798
Net Liabilities		81,987	(2,585,907)
CAPITAL AND RESERVES			
Share capital		4,893,876	3,220,938
Acquisition reserves		1,165,374	-
Foreign exchange reserve		1,211,801	1,232,050
Warrant reserve		22	-
Accumulated losses		(6,398,596)	(6,243,712)
Total shareholders' funds/(deficit)		872,477	(1,790,724)
Non-controlling interests		(790,490)	(795,183)
Total equity		81,987	(2,585,907)
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.26	(2.20)

The unaudited Statement of Financial Position of AAAGL and its subsidiaries as at 31 December 2025 has been presented as the comparative Statement of Financial Position following the Reverse Acquisition as explained in Note 1b and Note 2.1 to the interim financial statements.

(The Unaudited Condensed Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non Controlling Interest RM'000	Total Equity RM'000	
	Number of shares 000	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Foreign Exchange Reserve RM'000	Warrant Reserve RM'000	Accumulated Profits/ (Losses) RM'000			Total Shareholders' Fund RM'000
At 1 January 2026*	447,073	51,029	-	(69)	-	457,105	508,065	-	508,065
Issuance of ordinary shares	606,061	989,001	-	-	-	-	989,001	-	989,001
Acquisition of subsidiaries	2,307,692	3,853,846	1,165,374	1,232,119	-	(6,700,817)	(449,478)	(795,183)	(1,244,661)
Conversion of warrant reserve	13	-	-	-	22	-	22	-	22
Net loss for the financial period	-	-	-	-	-	(154,884)	(154,884)	26,221	(128,663)
Other comprehensive loss	-	-	-	(20,249)	-	-	(20,249)	(21,528)	(41,777)
At 31 March 2026	3,360,838	4,893,876	1,165,374	1,211,801	22	(6,398,596)	872,477	(790,490)	81,987

*Opening balance denote that of AirAsia X

The unaudited Statement of Changes in Equity and its subsidiaries as at 31 December 2025 has been presented as the comparative Statement of Changes in Equity following the Reverse Acquisition as explained in Note 1b and Note 2.1 to the interim financial statements.

(The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Period ended 31/3/2026 RM'000	Period ended 31/12/2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(107,782)	N/A
Adjustments:		
Depreciation of right of use assets and property, plant and equipment	579,808	N/A
Provision for retirement benefits	(4,962)	N/A
Provision for aircraft maintenance	472,753	N/A
Fair value gain on derivative financial instruments	(33,125)	N/A
Share of results of associates	(6,279)	N/A
Finance income	(9,079)	N/A
Finance costs on lease liabilities	225,874	N/A
Finance costs	127,461	N/A
Net unrealised foreign exchange loss	345,832	N/A
Operating profit before working capital changes	1,590,501	N/A
Changes in working capital:		
Inventories	(125)	N/A
Receivables and prepayments	(4,530,487)	N/A
Amounts due to/from associates and related parties	1,411,737	N/A
Payables and provisions	1,469,099	N/A
Sales in advance	(193,072)	N/A
Cash flows used in operations	(252,347)	N/A
Interest paid	(127,461)	N/A
Interest received	9,079	N/A
Tax paid	(26,704)	N/A
Net cash used in operating activities	(397,433)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions: Property, plant and equipment	(31,262)	N/A
Receipt of finance lease receivables	10,133	N/A
Cash from acquisition of subsidiaries	491,100	N/A
	469,971	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares arising from:		
- private placement	989,001	N/A
- conversion of warrants	22	N/A
Proceeds from borrowings	1,168,700	N/A
Repayment of borrowings	(809,290)	N/A
Repayment of debenture	(147,170)	N/A
Repayment of lease liabilities	(805,003)	N/A
	396,260	N/A

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Period ended	Period ended
	31/3/2026	31/12/2025
	RM'000	RM'000
NET INCREASE FOR THE FINANCIAL PERIOD	468,798	N/A
CURRENCY TRANSLATION DIFFERENCES	(18,220)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	635,188	N/A
DEPOSITS, CASH AND BANK BALANCES AT THE END OF THE FINANCIAL PERIOD	1,085,766	N/A

N/A denotes not available

There are no comparative figures being presented due to Reverse Acquisition of AirAsia X by AAAGL as explained in Note 1b and Note 2.1 to the interim financial statements. AAAGL being a non-listed private limited company was not required and had not prepared any interim financial statements prior to the Reverse Acquisition.

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NOTES TO THE UNAUDITED ACCOUNTS - 31 MARCH 2026

1. Basis of preparation

a. The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134: “Interim Financial Reporting” and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

b. Reverse acquisition

On 26 July 2024, the Company announced that it had entered into a Share Sale and Purchase Agreement (“SSPA”) with Capital A Berhad (“Capital A”) for the acquisition of 815,270,000 ordinary shares in AirAsia Aviation Group Limited (“AAAGL”), representing 100% equity interest in AAAGL Group. The purchase consideration was satisfied through the issuance of 2,307,692,307 new ordinary shares in the Company to the Capital A at an issue price of RM 1.67 per share, resulting in a total purchase consideration of RM 3,853,846,152 (“Reverse Acquisition”). Upon completion of the Reverse Acquisition on Completion Date, the Company became the legal holding company of AAAGL Group.

In accordance with MFRS 3: Business Combinations, the aforesaid business combination between the Company and AAAGL Group is treated as a reverse acquisition whereby, for accounting purposes, AAAGL is regarded as acquiring the Company and its subsidiary companies on the Completion Date. Accordingly, the accounting acquirer is AAAGL Group while the accounting acquiree is the Company.

Under the reverse acquisition method of accounting, even though the consolidated financial statements are issued under the name of the Company which is the legal holding company, the consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, AAAGL.

2. Summary of significant accounting policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the Audited Financial Statements for the financial year ended 31 December 2025. Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2025 or later are provided in the notes to the financial statements in the Audited Financial Statements of the Group for the financial year ended 31 December 2025. The Group did not early adopt any new standards, amendments to published standards and interpretation to existing standards.

For the beginning of the financial year on 1 January 2025, the standards that have become effective do not have any material impact on the financial statements of the Group and of the Company for the year.

2.1 Application of MFRS 3: Business Combinations – Reverse Acquisition on Completion Date

The business combination between the Company and AAAGL constituted a reverse acquisition. Consolidated financial statements prepared following a reverse acquisition are issued under the name of the Company (being the legal parent but is the accounting acquiree) and described in the notes as a continuation of the financial statements of AAAGL (being the legal subsidiary but is the accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer’s legal capital to reflect the legal capital of the accounting acquiree/the legal parent.

For the current year-to-date of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income, Unaudited Consolidated Statement of Changes in Equity and Unaudited Consolidated Statement of Cash Flow relates to the period from 1 January 2026 to 31 March 2026 of the Enlarged Aviation Group that includes AAAGL Group, AAX Group and AAB Group. No comparative figures are presented as AAAGL, being a non-listed private limited company was not required and had not prepared any interim financial statements prior to the Reverse Acquisition.

The unaudited Consolidated Statement of Financial Position of AAAGL Group as at 31 December 2025 has been presented as the comparative in the Consolidated Statement of Financial Position.

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3. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group and the Company's audited financial statements for the financial year ended 31 December 2025 in their report dated 24 April 2026.

4. Seasonality of operations

The group is primarily involved in the provision of air transportation services and thus, is subject to seasonal demand for air travel.

5. Unusual items due to their nature, size or incidence

Except for the effects of the Reverse Acquisition, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

6. Changes in estimates

There were no changes in estimates that have had a material effect on the results of the current quarter.

7. Changes in composition of the Group

During the financial year, AirAsia X Berhad ("AAX") completed the acquisition of AirAsia Aviation Group Limited ("AAAGL") and the AirAsia Berhad Group ("AAB") from Capital A Berhad ("Capital A"). Following the completion of the acquisitions, the financial results and position of the acquired entities have been consolidated into the Group from the acquisition date.

Consequently, the current financial year's results and financial position of the Group are not directly comparable with those of the preceding financial year due to the changes in composition of the Group.

8. Capital and reserves

During the current quarter, the Company issued 2,307,692,307 new ordinary shares as consideration shares pursuant to the acquisition of AirAsia Aviation Group Limited ("AAAGL").

The Company had also undertaken a private placement exercise during the current quarter, involving the issuance of 606,060,606 new ordinary shares, which raised gross proceeds of RM1.0 billion ("Private Placement").

In addition, 13,170 warrants were exercised during the current quarter, resulting in gross proceeds of RM21,599.

Other than the above, there were no other issuances, cancellations, repurchases, resales or repayments of debt and equity securities during the current quarter.

9. Dividends paid

No dividends were declared, approved or paid during the quarter ended 31 March 2026.

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10. Segmental Reporting

The Group operates principally in a single operating segment, namely aviation services, which is consistent with the internal reporting framework reviewed regularly by the chief operating decision maker, which is the Chief Executive Officer for purposes of resource allocation and performance assessment. Accordingly, no separate segmental information by business segment is presented as the Group's financial results are reported and reviewed as a single operating segment.

11. Revenue

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/3/2026 RM'000	Quarter ended 31/3/2025 RM'000	Period ended 31/3/2026 RM'000	Period ended 31/3/2025 RM'000
Scheduled flights	4,807,073	N/A	4,807,073	N/A
Charter flights	43,479	N/A	43,479	N/A
Freight services	70,675	N/A	70,675	N/A
Ancillary revenue **	1,028,996	N/A	1,028,996	N/A
	5,950,223	N/A	5,950,223	N/A

** Ancillary revenue includes baggage fees, assigned seats, cancellations, documentation and other fees, and on-board sale of meals and merchandise.

12. Staff Cost

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/3/2026 RM'000	Quarter ended 31/3/2025 RM'000	Period ended 31/3/2026 RM'000	Period ended 31/3/2025 RM'000
Wages, salaries, bonuses and allowances	585,920	N/A	585,920	N/A
Defined contribution retirement plan	45,401	N/A	45,401	N/A
	631,321	N/A	631,321	N/A

13. Finance income/(cost) and foreign exchange gain/(loss)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/3/2026 RM'000	Quarter ended 31/3/2025 RM'000	Period ended 31/3/2026 RM'000	Period ended 31/3/2025 RM'000
Finance income:				
Interest income on deposits with licensed banks	3,112	N/A	3,112	N/A
Other interest income	5,967	N/A	5,967	N/A
	9,079	N/A	9,079	N/A
Finance cost:				
Bank facilities and other charges	104,427	N/A	104,427	N/A
Impact of discounting effect on financial instruments	23,034	N/A	23,034	N/A
	127,461	N/A	127,461	N/A
Net foreign exchange gain/(loss):				
Realised	113,681	N/A	113,681	N/A
Unrealised	(345,832)	N/A	(345,832)	N/A
	(232,151)	N/A	(232,151)	N/A

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14. Taxation

Current taxation

The current taxation charge for the period to date mainly relates to the corporate income taxes.

Deferred taxation

Deferred taxation of RM 18 million was expensed in the current year.

15. Property, plant and equipment

- a. Acquisition and disposal
During the period ended 31 March 2026, the Group acquired RM 31 mil of property, plant and equipment.
- b. Write-off
During the period ended 31 March 2026, there was no write off of property , plant and equipment.

16. Investment in associates

	As at 31/3/2026	As at 31/12/2025
	RM'000	RM'000
Cost		
Investment	85,667	-
Share of results and reserves	384,699	-
Impairment loss	(21,122)	-
	<u>449,244</u>	<u>-</u>

17. Intangible assets

	Goodwill	Landing Rights	Total
	RM'000	RM'000	RM'000
<u>Carrying amount</u>			
At 1 January 2026	647,179	2,483,913	3,131,092
Addition	10,897,644	-	10,897,644
Foreign exchange difference	(75,577)	-	(75,577)
At 31 March 2026	<u>11,469,246</u>	<u>2,483,913</u>	<u>13,953,159</u>

The fair value of the identifiable assets and liabilities of AirAsia X Berhad and AirAsia Berhad as at the Completion Date are as follows:-

	RM'000
Deemed purchase consideration	4,546,613
Less:	
- Assets	17,533,423
- Liabilities	<u>(23,884,454)</u>
Total identifiable net liabilities	<u>(6,351,031)</u>
Goodwill on acquisition	<u>10,897,644</u>

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18. Receivables and prepayments

	As at	As at
	31/3/2026	31/12/2025
	RM'000	RM'000
Non-current		
Prepayments	5,686,069	334,741
Deposits	2,384,744	110,644
	<u>8,070,813</u>	<u>445,385</u>
Current		
Trade and other receivables	1,383,395	807,607
Prepayments	30,069	4,830
Deposits	182,431	-
	<u>1,595,895</u>	<u>812,437</u>

Prepayments include advances for the purchase of fuel as well as prepaid engine maintenance costs to the service provider.

19. Derivative financial instruments

Interest rate and foreign exchange forward contracts hedging

As at 31 March 2026, the Group has interest rate swaps agreements and foreign exchange forward contracts that were measured and disclosed at fair value. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 12 months.

20. Trade and other payables

	As at	As at
	31/3/2026	31/12/2025
	RM'000	RM'000
Current		
Trade payables	5,213,136	2,936,111
Other payables and accruals	2,906,055	1,345,789
	<u>8,119,191</u>	<u>4,281,900</u>

Other payables include accruals for operational expenses, deposits received and tax payable.

21. Borrowings

	As at	As at
	31/3/2026	31/12/2025
	RM'000	RM'000
Current		
Term loans	319,996	371,378
Revolving credit	33,998	-
Revenue bond	337,763	-
	<u>691,757</u>	<u>371,378</u>
Non-Current		
Term loans	1,597,996	142,979
Revenue bond	683,646	-
Other facility	255,420	-
	<u>2,537,062</u>	<u>142,979</u>

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22. Lease liabilities

The lease liabilities amounting to RM 14.8 billion includes deferred aircraft leases. The lease liabilities are supported by ROU assets of RM 12.2 billion.

24. Contingent assets

As at the date of this report, the Group does not have any contingent assets.

25. Contingent liabilities

There were no material changes in contingent liabilities save as disclosed in the audited financial statements for the financial year ended 31 December 2025.

26. Capital Commitments

Capital commitments not provided for in the financial statements are as follows:-

	As at
	31/3/2026
	RM million
Aircraft purchase	<u>103,910</u>

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27. Material related party transactions

Significant related party transactions which were entered into on agreed terms and conditions for the quarter ended 31 March 2026 are set out below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/3/2026	Quarter ended 31/3/2025	Period ended 31/3/2026	Period ended 31/3/2025
	RM'000	RM'000	RM'000	RM'000
Provision of platform / distribution services by Airasia MOVE				
- AAX Group	(9,805)	N/A	(9,805)	N/A
- AAB Group	(35,880)	N/A	(35,880)	N/A
- AAAGL Group	(26,466)	N/A	(26,466)	N/A
Aircraft maintenance services by ADE				
- AAX Group	(7,097)	N/A	(7,097)	N/A
- AAB Group	(71,696)	N/A	(71,696)	N/A
- AAAGL Group	(2,063)	N/A	(2,063)	N/A
Supply of inflight catering, merchandise and duty-free services by Santan				
- AAX Group	(7,649)	N/A	(7,649)	N/A
- AAB Group	(5,466)	N/A	(5,466)	N/A
- AAAGL Group	(4,464)	N/A	(4,464)	N/A
Brand licensing / use of trade name and livery by Brand AA				
- AAX Group	(4,634)	N/A	(4,634)	N/A
- AAB Group	-	N/A	-	N/A
- AAAGL Group	(54,598)	N/A	(54,598)	N/A
Purchase of cargo transportation capacity by Teleport				
- AAX Group	39,609	N/A	39,609	N/A
- AAB Group	18,646	N/A	18,646	N/A
- AAAGL Group	12,420	N/A	12,420	N/A
Aircraft lease (freighter lease rental) by Teleport				
- AAB Group	45,143	N/A	45,143	N/A
Provision of distribution services by Wano Connect				
- AAB Group	(105,390)	N/A	(105,390)	N/A

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28. Review of Group Performance

Key operating statistics for the quarter ended 31 March 2026

Quarter Ended: 31 March	Jan - Mar 2026
Seat capacity	22,127,486
Passengers carried	18,862,186
Load factor	85%
RPK (millions)	25,560
ASK (millions)	30,453
Average passenger fare (RM)	255
Ancillary revenue per passenger (RM)	55
Revenue per ASK (sen)	19.54
Revenue per ASK (USc)	4.92
Cost per ASK (sen)	18.87
Cost per ASK (USc)	4.75
Cost exc fuel per ASK (sen)	11.78
Cost exc fuel per ASK (USc)	2.97
Aircraft (end of period)	240
Sectors flown	116,111
Fuel consumed (Barrels)	4,928,538
Average fuel price (USD/Barrel)	110
Exchange rate	3.97

The Group reported a revenue of RM5.9 billion for 1Q2026. Overall, the Group reported an EBITDA of RM1 billion.

The Group reported a net loss of RM128.7 million in 1Q2026 mainly due to the net foreign exchange losses of RM232.2 million from the depreciation of local currencies including THB, IDR and PHP against the USD during the quarter.

About 15% of the fleet (204 operating aircraft at the end of quarter) was not in operation during the quarter. Depreciation and finance costs for non-operating aircrafts were presented below net operating profit in the consolidated income statement. The net operating profit of the Group is RM198.6 million, before accounting for depreciation and finance cost for non-operating aircraft.

Operating Cash flow was positive due to overall improvement in the business. Cash flow from investing activities included the purchase of property, plant and equipment and deposits paid for leased aircraft and engines. Cash flow from financing activities for the current year are proceeds from borrowings and net of payment of debt and aircraft leases.

29. Profit forecast

No profit forecast has been issued.

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30. Commentary on prospects

The Group began 2026 on a transformative note, successfully completing the acquisition of AirAsia Berhad (“AAB”) and AirAsia Aviation Group Limited (“AAAGL”) on 16 January 2026. This consolidation under a single enlarged platform has created a streamlined aviation business with seven airlines under one umbrella, primed to unlock significant network and cost synergies. However, the first quarter has also presented a challenging macro environment characterised by extreme jet fuel price volatility and geopolitical uncertainties.

In response to the sharp escalation in jet fuel prices that began in March 2026, the Group has pivoted its immediate focus toward disciplined margin protection and cost neutrality. We have proactively implemented fare adjustments and fuel surcharges across our network.

To safeguard profitability, the Group is exercising strict capacity discipline. We have temporarily suspended 21 routes varying from 1 month to 5 months, and reduced frequencies where profitability thresholds were challenged by fuel costs, resulting in a tactical 10% capacity reduction in the second quarter. Our priority remains clear: we will only deploy capacity in markets that meet our minimum hurdle rates. As fuel prices have shown signs of softening in recent weeks, we remain agile and ready to redeploy these assets as market conditions stabilise.

The Group is prioritising balance sheet resilience and cash and liquidity preservation to navigate the current high fuel environment. During 1Q2026, we successfully drew down approximately USD 300 million in funding, which has been partially utilised to refinance existing debt at more favorable rates and reduce 2026 principal obligations. We continue to optimise working capital through active engagement with our vendor ecosystem and are working closely with regional governments to mitigate cost burdens through cost reductions and other support measures.

While the Group’s long-term strategy to build the world’s first low-cost network carrier remains intact—further bolstered by the recent delivery of our first A321LR and the newly announced orderbook of 150 A220 aircraft—the immediate priority is navigating current market fluidity. The outlook for jet fuel prices remains elevated compared to historical averages, and as the situation continues to be fluid, the Group will monitor market developments closely.

Consequently, the Group has elected to temporarily withhold its previously communicated internal targets for 2026 until the operating environment stabilises.

The Board remains cautiously optimistic, ensuring that by maintaining a lean cost structure and prioritising robust cashflow management, the Group is well-positioned to emerge from this period of volatility as a more resilient and efficient carrier.

31. Corporate Exercise

On 20 January 2026, the Company announced that Garynma had accepted all three subscription options granted by the Company to subscribe for up to an aggregate of 403,299,166 new ordinary shares, representing approximately 12% of the total issued shares of the Company, at an issue price of RM1.65 per share. The subscription options are exercisable within 48 months from the date of grant.

In addition, the Proposed Share Capital Reduction announced by the Company on 26 July 2024 was approved by the Company’s shareholders on 16 October 2024 via a circular to shareholders dated 24 September 2024, is currently pending completion as at the date of this report. The Proposed Share Capital Reduction is targeted to be completed within the current financial year, subject to the relevant approvals and regulatory requirements.

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32. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the financial period ended by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/3/2026	31/3/2025	31/3/2026	31/3/2025
	RM'000	RM'000	RM'000	RM'000
Net loss attributable to owners of the Company (RM'000)	(154,884)	N/A	(154,884)	N/A
Weighted average number of ordinary shares in issue ('000)	3,360,827	N/A	3,360,827	N/A
Earnings per share (sen)	(4.61)	N/A	(4.61)	N/A
Weighted average number of ordinary shares in issue ('000)	3,993,649	N/A	3,993,649	N/A
Diluted earnings per share (sen)	(3.88)	N/A	(3.88)	N/A

33. Status of Utilisation of Proceeds

As at the date of this report, the proceeds raised from the private placement announced on 26 July 2024 have been utilised as follows:-

Purpose	Proceeds raised as at the LPD RM'000	Utilisation as at the LPD RM'000	Unutilised as at the LPD RM'000
Funds for the enlarged aviation group after the completion of the Acquisitions ("New Aviation Group")**	954,610	896,722	57,888
Expenses in relation to the proposals	45,390	32,869	12,521
	<u>1,000,000</u>	<u>929,591</u>	<u>70,409</u>

**The proceeds are intended to be used to fund the Group's working capital requirements (including but not limited to payment to lessors, suppliers, contractors, consultants and other creditors as well as defrayment of other operational and administrative expenses including payment of staff costs (such as salaries, bonuses, statutory contributions and other staff benefits), user charges, utilities, rental, travelling and accommodation expenses, maintenance and overhaul expenses and other office / operating expenses), for repayment of borrowings, debentures and lease liabilities and/or capital expenditure.

Save for above, there were no proceeds raised by the Company from any corporate proposal during the financial year ended 31 March 2026.

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34. Material litigation

As at 14 May 2026, save as disclosed below, the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against the Group or any facts which are likely to give rise to any proceedings which may materially and adversely affect the business or financial position of the Group:

Arbitration matter involving Mr. Christopher Davison and Mr. Navin Rajagopalan (as claimants) v AirAsia Digital Sdn Bhd (“AA Digital”), AirAsia Berhad (“AAB”) and Big Pay Pte Ltd (“BigPay”) (as respondents) at Singapore International Arbitration Centre in respect of disputes arising from the shareholder disputes in relation to BigPay

On 17 March 2017, the claimants, AAB and BigPay have entered into the following agreements in relation to the regulation of affairs of BigPay:

(1) Shareholders’ agreement which sets out the terms governing the relationship between the shareholders of BigPay (“BigPay SHA”); and

(2) Investment agreement which sets out the terms and conditions relating to AAB’s investment in BigPay (“BigPay IA”).

On 18 November 2021, the claimants issued a notice of arbitration against AA Digital, AAB and BigPay under the Arbitration Rules of the Singapore International Arbitration Centre 2016. The claimants, as minority shareholders of BigPay, claimed breaches and wrongful termination of the BigPay IA and BigPay SHA by the respondents and minority oppression under section 216(1) of the Companies Act 1967 of Singapore (“Singapore Companies Act”). The main relief sought by the claimants was a buy-out by AA Digital of the shares held by the claimants in BigPay. The claimants made claims for the buy-out in the region of USD140,000,000 to USD183,000,000 (equivalent to approximately RM550,130,000 to RM719,098,500*), and the main relief sought by the claimants was a buy-out by Move Digital of the shares held by the claimants in BigPay.

On 27 December 2024, the Singapore International Arbitration Centre issued a partial award for AA Digital to buy out the claimants shares in BigPay at the buyout price of USD14,736,000 (equivalent to RM57,905,112*). Based on the advice from our legal counsel, we continue to assess our prospects as good. Nevertheless, a provision of USD 14.7 million has been recognised.

On 18 July 2025, the final award on costs was issued for Move Digital to pay the Claimants costs related to the arbitration in the amount of USD4,129,664 and simple interest on the costs awarded at the rate of 5.33% per annum from the 22nd day following the award until full payment.

Move Digital and AAB, through its solicitors, filed an application in the Singapore High Court in late March 2025 to set aside the aforementioned partial award. The application was heard in late September 2025 and dismissed in early December 2025. Move Digital and AAB appealed against the decision in late December 2025. The appeal is likely to be heard sometime in July 2026. In respect of this application, in mid-February 2026, Move Digital and AAB have been ordered to pay the Claimants’ legal costs and disbursements amounting to SGD258,061.

An application to partially set aside the final award on costs has been filed by Move Digital and AAB. The Claimants have also filed an application to partially set aside the final award on costs. As Move Digital’s and AAB’s application to partially set aside the final award on costs is contingent on their application to partially set aside the partial award, the application has been stayed pending the determination of the appeal. As for the Claimants’ application, it was heard in late March 2026 and the Court has reserved judgment.

In mid-December 2025, the Claimants applied for leave from the Singapore High Court to enforce the partial award, and obtained an ex parte order of court granting them such leave to enforce in late December 2025. The Claimants served the papers on Move Digital’s and AAB’s solicitors in early January 2026. Move Digital and AAB’s application to set aside the enforcement order was dismissed in late March 2026. However, Move Digital and AAB have been granted a stay of enforcement of the partial award on the condition that they pay the full sum of USD 14,736,000 into Court by 28 April 2026. As at the date of this report, the sum of USD 14,736,000 has not been paid into Court.

* Note: Based on BNM’s exchange rate of USD1.00:RM3.9295, being the middle rate published on BNM’s website as at 14 May 2026.

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35. Proposed Dividend

The Directors did not recommend any dividend for the quarter ended 31 March 2026.

36. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board

RUTHRAINEE KARTHIGESU
(LS0010689) (SSM PC No. 202308000109)
Group Company Secretary

14th May 2026